

AMENDED IN ASSEMBLY APRIL 22, 2009

AMENDED IN ASSEMBLY MARCH 31, 2009

AMENDED IN ASSEMBLY MARCH 17, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 42

Introduced by Assembly Member Blakeslee

December 1, 2008

An act to add Section 565 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 42, as amended, Blakeslee. Electricity: Pacific Gas and Electric Company: seismic fault.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities including electrical corporations, as defined.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to conduct various assessments and forecasts on energy industry supply, production, transportation, delivery and distribution, demand, and prices.

This bill would *require the Energy Commission, on or before April 1, 2010, in a public hearing and in consultation with the California Geologic Survey, Seismic Safety Commission, and California Coastal Commission, to determine what, if any, seismic fault and other hazard or vulnerability studies or surveys are urgently needed for the area at or near the Diablo Canyon Nuclear Powerplant. The bill would require the Pacific Gas and Electric Company to seek funding for seismic fault studies and seismic retrofits in order to maintain reliable operation of*

~~the electrical grid and reduce impacts to customer rates as a result of a seismic event~~ *conduct those seismic fault and other hazard or vulnerability studies or surveys at or near the vicinity of the Diablo Canyon Nuclear Powerplant that are deemed urgent by the Energy Commission.* Because a violation of this requirement would be a crime, this bill would impose a state-mandated local program. ~~The Energy bill would require the Commission would be required to, in consultation with the California Geologic Survey, Seismic Safety Commission, and California Coastal Commission, conduct or facilitate~~ a peer review of any fault studies or surveys conducted pursuant to that requirement ~~within 120 days of receipt of a final study or survey. The Public Utilities Commission would be required to allow~~ *bill would require the Pacific Gas and Electric Company to fully recover costs from all of their electrical customers for investments in fault studies and seismic retrofits, in its electricity procurement rates, all reasonable costs associated with any studies, surveys, or peer review required pursuant to the bill.*

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would state the findings and declarations of the Legislature concerning the need for special legislation.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) In issuing Decision 07-03-044, the Public Utilities
- 4 Commission authorized an expenditure of sixteen million eight
- 5 hundred thousand dollars (\$16,800,000) of ratepayer funds to
- 6 explore the feasibility of relicensing the Diablo Canyon Nuclear
- 7 Power Plant.
- 8 (b) The Public Utilities Commission, regarding the expenditure
- 9 of those funds, said that Pacific Gas and Electric Company should
- 10 defer, to the extent feasible, its work, its own study, and associated
- 11 spending, until after the State Energy Resources Conservation and
- 12 Development Commission (Energy Commission) issues its findings

1 and conclusions pursuant to Chapter 722 of the Statutes of 2006,
2 and that Pacific Gas and Electric Company should incorporate the
3 findings and recommendations of that Energy Commission
4 assessment in its own work.

5 (c) The assessment made pursuant to Chapter 722 of the Statutes
6 of 2006 included several findings and recommendations; in
7 particular, the Energy Commission found that Pacific Gas and
8 Electric Company should use three-dimensional geophysical
9 seismic reflection mapping and other advanced techniques to
10 explore fault zones near Diablo Canyon.

11 (d) The July 2007 magnitude 6.8 Japan Sea earthquake located
12 16 kilometers from ~~Toyota~~ Tokyo Electric Power Company's
13 Kashiwazaki-Kariwa Nuclear Power Plant shut down the facility
14 at a cost of some hundreds of millions of dollars per month.

15 (e) In November 2008, the United States Geological Survey
16 identified a previously unidentified offshore fault approximately
17 one kilometer west of Diablo Canyon Nuclear Power Plant with
18 an estimated ability to generate a magnitude 6.5 earthquake.

19 SEC. 2. Section 565 is added to the Public Utilities Code, to
20 read:

21 ~~565. (a) Pacific Gas and Electric Company shall seek funding~~
22 ~~for seismic fault studies and seismic retrofits, deemed urgent by~~
23 ~~the Energy Commission or the Seismic Safety Commission, in~~
24 ~~furtherance of the recommendations made by the Energy~~

25 565. (a) (1) *On or before April 1, 2010, in a public hearing*
26 *and in consultation with the California Geologic Survey, Seismic*
27 *Safety Commission, and California Coastal Commission, the*
28 *Energy Commission shall determine what, if any, seismic fault*
29 *and other hazard or vulnerability studies or surveys are urgently*
30 *needed for the area at or near the Diablo Canyon Nuclear*
31 *Powerplant. The determination shall be made in furtherance of*
32 *the responsibilities of the Energy Commission pursuant to*
33 *paragraph (8) of subdivision (a) of Section 25303 of the Public*
34 *Resources Code, in order to maintain reliable operation of the*
35 *electrical grid and reduce impacts to customer rates as a result of*
36 *a seismic or other catastrophic event.*

37 (2) *Pacific Gas and Electric Company shall conduct those*
38 *seismic fault and other hazard or vulnerability studies or surveys*
39 *at or near the vicinity of the Diabale Canyon Nuclear Powerplant*

1 *that are deemed urgent by the Energy Commission pursuant to*
2 *paragraph (1).*

3 *(3) The commission shall consider any seismic fault and other*
4 *hazard or vulnerability studies or surveys required pursuant to*
5 *this subdivision in its review of Pacific Gas and Electric*
6 *Company's license renewal application required by the commission*
7 *in Decision 07-03-044. The commission shall extend the June 30,*
8 *2011, application deadline, order number 11 in Decision*
9 *07-03-044, if the commission finds, upon petition or other*
10 *application by Pacific Gas and Electric Company, that an extension*
11 *is necessary to complete the studies or surveys or to allow the*
12 *Energy Commission to complete a per review complete peer review*
13 *pursuant to subdivision (b).*

14 *(4) The Energy Commission, in consultation with the California*
15 *Geologic Survey, Seismic Safety Commission, and California*
16 *Coastal Commission, may participate in the development of study*
17 *or survey designs.*

18 *(b) (1) The Energy Commission shall conduct, in consultation*
19 *with the California Geologic Survey, Seismic Safety Commission,*
20 *and California Coastal Commission, shall conduct or facilitate a*
21 *peer review of any studies conducted pursuant to subdivision (a)*
22 *or surveys conducted pursuant to subdivision (a) within 120 days*
23 *of receipt of a final study or survey.*

24 *(2) The Energy Commission may enter into agreements with*
25 *academic and industry groups of qualified scientists with expertise*
26 *in fault imaging and character and behavior studies to conduct an*
27 *external scientific peer review of the scientific basis for any fault*
28 *study or survey.*

29 *(3) The Energy Commission shall include the findings and*
30 *recommendations of the peer review of any fault study any studies*
31 *or surveys conducted pursuant to subdivision (a) in the integrated*
32 *energy policy report as updates pursuant to subparagraph (D) of*
33 *paragraph (8) of subdivision (a) of Section 25303 of the Public*
34 *Resources Code.*

35 *(c) The commission shall allow Pacific Gas and Electric*
36 *Company to fully recover costs from all of their electrical*
37 *customers for investments in fault studies and seismic retrofits*
38 *pursuant to this section. , in its electricity procurement rates, all*
39 *reasonable costs associated with any studies or surveys required*

1 *pursuant to subdivision (a) and the peer review required pursuant*
2 *to subdivision (b).*

3 SEC. 3. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.

12 SEC. 4. The Legislature finds and declares that a special law
13 is necessary and that a general law cannot be made applicable
14 within the meaning of Section 16 of Article IV of the California
15 Constitution because of unique circumstances pertaining to Pacific
16 Gas and Electric Company.